

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01
COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-06 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 FEA-01 /100 W
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P R 132339Z JAN 77
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC PRIORITY 2115
INFO AMCONSUL MONTREAL

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POUCHED ALL OTHER AMCONSULS CANADA

E.O. 11652: N/A
TAGS: ENRG, ETRD, CA
SUBJ: CANADIAN CRUDE OIL EXPORT CHARGES FOR FEBRUARY

1. SUMMARY. GOC HAS DECIDED TO INCREASE CRUDE OIL
EXPORT CHARGES 50 CENTS PER BARRELL FOLLOWING OPEC PRICE
HIKE. THIS REPRESENTS 3.4 PERCENT PRICE INCREASE TO
U.S. IMPORTERS. END SUMMARY.

2. NATION ENERGY BOARD (NEB) INFORMED EMBASSY JAN 12
THAT THE FOLLOWING TARRIFF OF CHARGES FOR APPLICATION
TO EXPORTS OF CRUDE OIL AND EQUIVALENT HYDROCARBONS WILL
BE EFFECTIVE 1 FEBRUARY 1977:

(1) FOR LIGHT AND MEDIUM CRUDE OILS AND CONDENSATES
\$4.40 PER BARREL;

(2) FOR OTHER DESIGNATED HEAVY CRUDE OIL \$4.00 PER
BARREL; AND

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(3) FOR LLOYDMINSTER TYPE BLENDS \$3.55 PER BARREL.

3. AS RESULT OF INCREASE IN DOMESTIC WELLHEAD PRICE
(70 CENTS PER BARREL) ON JANUARY 1, EXPORT PURCHASERS
ARE ELIGIBLE FOR A 70-CENTS-PER-BARREL REBATE FOR ALL
OIL ENTERING AN EXPORT PIPELINE SYSTEM DURING PERIOD
JANUARY 1, TO JANUARY 31. WITH THIS REBATE, JANUARY

EXPORT CHARGES ARE NOW AS FOLLOWS:

(1) FOR LIGHT AND MEDIUM CRUDE OILS AND CONDENSATES,
\$3.90 PER BARREL;

(2) FOR OTHER DESIGNATED HEAVY CRUDE OILS, \$3.50 PER
BARREL; AND

(3) FOR LLOYDMINSTER TYPE BLENDS \$3.05 PER BARREL.
NEW FEBRUARY SCHEDULE OF CHARGES THUS REPRESENTS AN
OVERALL 50-CENTS-PER-BARREL INCREASE OVER JANUARY
SCHEDULE.

4. COMMENT: FIFTY-CENT EXPORT CHARGE INCREASE REFLECTS
GOC'S DECISION ON ADJUSTMENT OF ITS OIL EXPORT CHARGES
IN WAKE OF RECENT OPEC PRICE INCREASE AND WILL RESULT
IN A 3.4 PERCENT PRICE INCREASE TO U.S. IMPORTERS
(CALCULATION BASED ON EDMONTON PRICE PLUS EXPORT CHARGE
AND NOT DOES NOT INCLUDE PIPELINE TARIFF TO U.S.
DESTINATION.) INCREASE IS LOWER THAN AMOUNT EMBASSY
EXPECTED ON BASIS CONVERSATIONS WITH GOC OFFICIALS WHICH
WAS BETWEEN 5 AND 10 PERCENT. ACCORDING TO NEB OFFICIAL,
NEW LEVEL OF EXPORT CHARGES REPRESENTS A COMPROMISE
POSITION WHICH ACCOMMODATES UPWARD PRESSURE ON
WORLD OIL PRICES AND RECENT DOWNWARD TRND IN VALUE
OF CANADIAN DOLLAR. SINCE STANDARD NEB FORMULA RELATES
EXPORT CHARGE TO CHICAGO MARKET PRICE WHICH MAY NOT YET
REFLECT FULL IMPACT OF OPEC PRICE DECISIONS, EMBASSY WOULD
NOT RULE OUT POSSIBILITY OF FURTHER INCREASE IN EXPORT
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CHARGE IN MARCH.
ENDERS

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Message Attributes

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